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C O N F I D E N T I A L DAR ES SALAAM 000277

SIPDIS

DEPT FOR INR, R.EHRENREICH

E.O. 12958: DECL: 02/13/2016

TAGS: [PGOV](#) [PREL](#) [TZ](#)

SUBJECT: KIKWETE CORRUPTION TIDBIT

Classified By: Ambassador Michael Retzer, Reason 1.5 (d)

1. (C) President Kikwete has accepted gifts (bribes) from the owner of the Kempinski Hotel chain,s Tanzanian properties, a citizen of the United Arab Emirates.

2. (C) In a conversation with the manager and the publicity director of Dar Es Salaam,s Kilimanjaro-Kempinski Hotel hours after accompanying A/S Frazer to her October 18, 2005 meeting with then-Foreign Minister Kikwete, I commented on Kikwete's flashy attire, asking "Who dresses him?" "We do," they responded. Initially thinking this meant Kikwete frequented a men,s shop in the hotel, I learned later in the evening from hotel publicity director Lisa Pile (protect) that the hotel owner\*UAE citizen Ali Albwardy\*had recently flown Kikwete to London for a subsidized shopping expedition.

Among other things, on that trip Ali Albwardy bought Kikwete five Saville Row suits. He had also recently made a \$1 million cash contribution to the CCM (which is a legal contribution under current Tanzanian law).

3. (C) Pile told me the Kempinski Hotel chain is greatly expanding its presence in Tanzania. She said that in December it would open "the best hotel in Zanzibar." Her prediction was a little off; the new Kempinski hotel, located on the beach on Zanzibar,s east coast, opened January 5. I attended the opening ceremony along with Zanzibari President Karume, who was asked publicly by Ali Albwardy for a site in Stone Town to build a new hotel. Later that day, Pile revealed that the Zanzibar government had already earmarked for Ali Albwardy a hotel site in Stone Town.

4. (C) Pile also said in the October 18 conversation that Ali Abwardy was about to receive the rights to construct two new hotels on the mainland: one on the edge of Ngorongoro Crater and another on the Serengeti plain overlooking the main animal migration routes. Stringent conservation rules currently ban the construction of permanent structures inside national parks\*including in the crater and on the Serengeti plain\*but Pile said that in November legislation would be introduced to parliament to authorize the new hotels. (Comment: We have received no reports on new legislation, but the Dar Es Salaam Daily News on January 15 reported that the Tanzania National Parks Authority had approved construction of a five star hotel on the Serengeti plain.)

4. (C) Later on October 18, over dinner, an Indian/South Asian man described as a business associate of Ali Albwardy briefly took Pile from the table for a conversation in Kiswahili. I am not sure what was said, but Kikwete's name came up several times and he passed her an envelope. Pile told me the envelope was stuffed with 1 million shillings ( \$1,000) and was to pay for a Kikwete meeting at the Kilmanjaro-Kempinski later that month. Apparently Kikwete is a regular customer, but no name ever appears on the hotel registry when a government bigshot has an "event" in one of the guest rooms.

5. (C) Bio Note: Lisa Pile, an Australian citizen, has lived in Dar working for Kempinski Hotels since early 2004. Before that she had served in a similar capacity with the Kempinski chain in China. Her family in Australia is prominent in Australia's Liberal Party (the center-right party of Prime Minister John Howard).

6. (C) Comment: What does it all mean? I don,t know, but my guess is that the investor Ali Albwardy has access to

oil  
money out of the UAE. I suspect giving free clothes and  
the  
campaign donation is just the way these people do business.

17. (C) For his part, Kikwete probably thinks having all  
these  
five star hotels around is a good idea for the country, and  
I  
agree with him. His new minister of Natural Resources and  
Tourism, Anthony Diallo, says he wants to double tourism's  
contribution to the national economy in ten years time.  
Kikwete probably believes there is no harm in taking these  
little gifts to do what he would have been inclined to do  
anyway. That said, they are what they are: bribes.

WHITE